AR41

DOMINION FABRICS LIMITED

Camtex

MANUFACTURERS OF

TOWELS
BEDSPREADS
BATH SHEETS
FACE CLOTHS
DISH CLOTHS

POT HOLDERS

Contractor no

DOMINION FABRICS LIMITED

Report to Shareholders

Camtex

FOR THE SIX MONTHS ENDED
JUNE 30, 1969

Dear Shareholder:

I hereby submit on behalf of your Board of Directors the interim financial statement for the period January 1 to June 30, 1969, with comparative figures for the period January 1 to June 30, 1968.

This statement shows net income after taxes for the six months ended June 30, 1969, of \$21,495.00 compared with \$26,397.00 for the six months ended June 30, 1968.

Yours Sincerely,
JAMES A. CAMELFORD,
President.

DOMINION FABRICS LIMITED AND ITS WHOLLY OWNED SUBSIDIARY DOMINION YARNS LIMITED

INCORPORATED UNDER THE LAWS OF THE PROVINCE OF ONTARIO

STATEMENT OF CONSOLIDATED NET INCOME (Unqudited)

	Six months e	ended June 30 1968
Income after deducting operating costs and all other expenses except depreciation	\$146,427 111,830	\$162,559 117,631
Net Income before Taxes	34,597 13,102	44,928 18,531
Net Income for the period Dividends for the period	21,495 — 27,200	26,397 44,000
Earnings for period retained in business	\$ (5,705)	\$ (17,603)

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS (Unaudited)

Source of Funds:	Six months en 1969	nded June 30 1968
Net profit from current operations Depreciation	111.000	\$ 26,397 117,631
Refundable Tax and Investments	133,325 2,123	144,028 496
	\$135,448	\$144,524
Application of Funds: Invested in Fixed Assets Dividends Paid	27,200	\$ 50,912 44,000
Increase in Working Capital	73,167 \$135,448	\$144,524

Note 1: The provision for depreciation for the six months ended June 30, 1968, has been increased by \$40,511.00 over that reported in the 1968 interim financial statements in order that the 1968 interim figures will reflect the proper portion of the actual depreciation charged for the 1968 fiscal year. The effect of this change is to reduce the Net Income for the 1968 period by \$19,689.00.

Note 2: Sales for the six months to June 30, 1969, were marginally above the sales for the corresponding period of 1968, and show an increase of 5% over the average sales for the five immediately preceding corresponding periods.

Dominion Fabrics Limited

Annual Report

For the year ended 31st December, 1969



DIRECTORS

J. GORDON CAMELFORD

Chairman of the Board of the Company

James A. Camelford

President and Treasurer of the Company

Kenneth G. Camelford

Vice-President - Manufacturing and

Secretary of the Company

Darcy B. Dingle

Director Wood Gundy Securities Limited
(to March 31, 1967) thereafter retired

ROBERT V. HICKS Q.C.
Partner, Miller, Thomson, Hicks, Sedgewick, Lewis & Healy

K. D. Mooney
President, Valley Camp Limited

Austin E. Walden
Vice-President Merchandising of the Company

ANNUAL MEETING

MAY 27_{TH}, 1970 - 11:00 A.M.

AT THE HEAD OFFICE OF THE COMPANY,
FOREST STREET, DUNNVILLE

To THE SHAREHOLDERS,
DOMINION FABRICS LIMITED

Dear Shareholder:

Your Directors submit, herewith, the Company's Annual Statement for 1969 showing, after provision for operating expenses, depreciation, and income taxes, a consolidated net loss of \$4,316.

Financial

The Company continued its policy of conserving working capital in today's unsettled markets and inflationary conditions. Improved operating results and reduced capital expenditures resulted in a working capital increase of \$88,298. In addition to this improvement, the Company reduced its bank loan and overdraft to \$461,718 at December 31, 1969. Regular dividends totalling 32¢ per Class 'A' cumulative share were declared in 1969. No dividends were declared on the common shares in 1969. Resumption of the dividends is dependent on the return to profitable operations.

Personnel

The Company continued to enjoy cordial relations with its employees during 1969. The present union contract expired on April 7, 1970, and is presently being re-negotiated.

Your Directors appreciate the continued loyal support and efforts of the officers and employees of the Company throughout the past year.

General Business Conditions

Uncertain general economic conditions, as well as extremely competitive marketing, continue to cast a cloud over the prospects for 1970.

A long term comprehensive textile policy for Canada has been under study by the Ministry of Industry, Trade & Commerce for the past year. The Company along with other textile firms and major textile unions have assisted. It is expected that the government will announce its recommendations shortly, and we hope this textile policy will allow the Company to plan favourably for the future.

Sales in 1969 show an increase of 1.2% over 1968 and an increase of 3.0% over the average of the sales for the five immediately preceding years.

High styled product lines are a must in today's market, and the Company is making every effort to meet these customer demands. However, it was found necessary during the year under review to cease production on several non-profitable lines and styles.

Efficiency of operations both at Dunnville and Welland continue to improve as a result of policies and programmes recently inaugurated.

Continued pressure being exerted by interest rates and credit restrictions generally, demand limited capital expenditures which are under constant review by the Directors.

On behalf of the Board,

JAMES A. CAMELFORD,

President.

May 11, 1970.

DOMINION F.

AND ITS WHOLLY OWNED SUIS

(Incorporated under the

Consolidated Balance Se (with comparative figure

1969	1968
_	-
\$ 3,100	\$ 3,100
1,085,318	978,311
1,353,358	1,514,361
	38,367
14,784	7,365
·	
2,456,560	2,541,504
	40-1
1	14,791
4,020	8,351
4,021	23,142
700 700	F00 F00
	596,702
4,951,955	4,894,432
5 548 657	5,491,134
	3,986,697
	3,300,031
1.344.289	1,504,437
1,011,200	-,,
	3,100 1,085,318 1,353,358 14,784 2,456,560 1 4,020

Approved on behalf of the Board of Directors:
GORDON CAMELFORD, Director.
KENNETH CAMELFORD, Director.

AUDITORS' REPORT TO THE SHAREHOLDERS OF DOMINION FABRIS

We have examined the consolidated balance sheet of Dominion Fabrs December 31, 1969 and the consolidated statements of income and retained an ination included a general review of the accounting procedures and such the

In our opinion, these consolidated financial statements present fairly of their operations and the source and application of their funds for the year on a basis consistent with that of the preceding year. Hamilton, Ontario,

RICS LIMITED

ARY DOMINION YARNS LIMITED

of the Province of Ontario)

as at December 31, 1969

is at December 31, 1968)

LIABILITIES		
	1969	1968
CURRENT LIABILITIES:	_	_
Bank Loan and Overdraft	.\$ 461,718	\$ 634,468
Bank Loan — Capital	—	100,000
Accounts Payable and Accrued Liabilities	427,586	354,952
Taxes other than Income		42,970
Income Taxes Payable	. 26,565	_
Dividend Payable		13,600
- 1000° 7	972,748	1,145,990
TAX REDUCTION APPLICABLE TO		
FUTURE YEARS (Note 3)	. 112,188	144,443
SHAREHOLDERS' EQUITY:		
Capital Stock:		
Authorized:		
300,000 Class "A" Cumulative, Participati	ng	
Preference Shares of no par value		
400,000 Common Shares of no par value		
Issued and Fully Paid:		
170,000 Class "A" Preference Shares	17,500	17,500
210,000 Common Shares 5 Capital Surplus	. 450,000	450,000
Retained Earnings	. 2,252,434	2,311,150
Contract to the second	\$3,804,870	\$4,069,083
St., and the state of the state		

The accompanying notes are an integral part of the financial statements.

MITED.

nited and its wholly-owned subsidiary Dominion Yarns Limited as at use and source and application of funds for the year then ended. Our examaccounting records as we considered necessarry in the circumstances.

nancial position of the Companies as at December 31, 1969, and the results a ended in accordance with generally accepted accounting principles applied

Dominion Fabrics Limited

And its wholly owned subsidiary Dominion Yarns Limited

Consolidated Statement of Income and Retained Earnings

For the Year Ended December 31, 1969

(with comparative figures for 1968)

	1969 /	1968
Income after deducting cost of operations and provision for all other expenses but depreciation	21 1 \558 220,674	\$ 184,800 235,263
(Loss) before recovery of income taxes(Income tax recovery (Note 3)	9,116) 4,800	(50,463) (29,975)
Net (Loss) for the Year(4,316) 54,400	(20,488) 71,200
Retained Earnings at the Beginning of Year	58,716) 2,311,150	91,688
RETAINED EARNINGS at the end of Year	2,252,434	\$2,311,150
Note 1 — There was paid as remuneration to directors & senior officers\$	104,700	\$ 99,650
		24 4 2 2

The comparable remuneration to the same individuals as included in 1968, amounted to \$92,200. However, an employee was added in 1969 to comply with Section 71, Subsection I of the Ontario Corporations Act, although this employee does not function as a senior officer or director.

- Note 2 Sales for the year ended December 31, 1969 show an increase of 1.2% over those for the year 1968 and an increase of 3.0% over the average of the sales for the five immediately preceding years.
- Note 3 In 1969 capital cost allowance claimed for tax purposes is less than the depreciation recorded by \$78,793. and \$27,455. is actually payable for income taxes. This current payment, plus the amount of \$4,800. shown above as income tax recovery have been deducted from the Balance Sheet item "Tax Reduction Applicable to Future Years".

Dominion Fabrics Limited

And its wholly owned subsidiary Dominion Yarns Limited

Consolidated Statement of Source and Application of Funds

For the Year Ended December 31, 1969

(with comparative figures for 1968)

	1969	1968
SOURCE OF FUNDS:		
Net (Loss)(\$ 4,316)	(\$ 20,488)
Depreciation written off	220,674	235,263
Reduction in Tax Reduction Applicable to future years(32,255)	(37,157)
	184,103	177,618
Refundable tax and investments	. 19,121	5,193
Decrease in Working Capital	. <u> </u>	211,984
204201000	\$ 203,224	\$ 394,795
APPLICATION OF FUNDS:		
Invested in Fixed Assets	\$ 60,526	\$ 123,595
Reduction in capital bank loan	. –	200,000
Dividends paid	54,400	71,200
Increase in working capital	. 88,298	_
-	\$ 203,224	\$ 394,795

The accompanying notes are an integral part of the financial statements.

DOMINION FABRICS LIMITED

Camtex

Manufacturers of

TOWELS

BEDSPREADS

BATH SHEETS

FACE CLOTHS

DISH CLOTHS



